



9 June 2023

This week's highlights

**EUR/\$**

Marginally firmer

**Bond Yields**

Nudge up

**EA GDP**

-0.1% in Q1

**Irish CPI Inflation**

6.6% in May

**Euro Area**

- The euro was marginally firmer against the dollar, gaining almost a cent to trade just shy of \$1.08
- German government 10-year bond yields rose by about 5bps on the week to a little over 2.35%
- The economy contracted for a second consecutive quarter in Q1 2023, with GDP dipping by 0.1%
- Market expects ECB to hike its key interest rates by 25bps at next Thursday's monetary policy meeting

**UK**

- Pound gained more than a cent to over \$1.2550 against the dollar; a touch firmer v euro just under 86p
- Government 10-year bond yields rose by a bit more than 5bps on the week to just over 4.20%
- RICS housing survey noted house prices nationally "still falling" though "downward momentum" easing

**US**

- ISM services index fell to 50.3 in May (51.9 in April), suggesting activity in this sector was flat last month
- Benchmark government 10-year bond yields increased by 5bps over the week to 3.72%
- Market pricing in c. 30% chance of quarter point hike in interest rates at next week's Fed meeting

**Ireland**

- Annual rate of CPI inflation fell to 6.6% in May from 7.2% in April, and down from peak of 9.2% last Oct
- The number of new private cars licensed in month of May was 10,452, increase of 47% on May 2022
- Government 10-year bond yields were broadly flat on the week trading at around 2.75%

Mon Jun 12

**US** Monthly Budget Statement

Tue Jun 13

**IRL** Agricultural Prices; **UK** Labour Market Report; **US** CPI, Real Earnings, Small Business Optimism Index

Wed Jun 14

**IRL** Residential Property Prices; **EA** Industrial Production; **UK** GDP (Apr), Trade Balance; **US** Federal Reserve FOMC Meeting, PPI

Thu Jun 15

**IRL** Payroll Employees; **EA** ECB Meeting, Trade Balance; **US** Retail Sales, Industrial Production, Import Prices, Philly Fed Manufacturing Index, Jobless Claims

Fri Jun 16

**EA** CPI (May, final), Labour Costs; **UK** Bank of England Inflation Expectations, **US** Consumer Confidence

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